

**COMMITTEE REPORT TO THE
STATE ADMINISTRATIVE BOARD**

The Honorable John Engler, Governor
and
Members of the State Administrative Board

A regular meeting of the **Finance and Claims** Committee was held at **11:00 a.m.** on **November 14, 2000**, those present being:

Chairperson: Julie Croll, representing Approved _____
State Treasurer Murray

Member: Socorro Guerrero, representing Approved _____
Attorney General Granholm

Member: Brian DeBano, representing Approved _____
Governor John Engler

Others: Michael Reilly, of the Attorney General's Office; David Ancell, Sherry Bond, Kathy Jones, Arlene Oisten of the Department of Management and Budget; Karl Trautman of the Senate Democratic Staff; Jerry Crandall of MIRS; and, Jon Smalley and Lucius Vassar of MHSA

The Finance and Claims Committee regular agenda and supplemental agenda were presented.

Following discussion, Mr. DeBano moved that the regular agenda and supplemental agenda be recommended to the State Administrative Board for approval, with the following limitations: Item 18(50) be withdrawn for further information and item 18(43) be denied. The motion was supported by Ms. Guerrero and unanimously adopted.

Ms. Croll adjourned the meeting.

At the State Administrative Board meeting of November 21, 2000, item 14 (1) for Public Policy Associates was withdrawn at the request of the Department of Natural Resources.

The Honorable John Engler, Governor
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Chairperson: Julie Croll, representing Approved _____
State Treasurer Murray

Member: Deborah Devine, representing Approved _____
Attorney General Granholm

Member: Brian DeBano, representing Approved _____
Governor John Engler

Others: Ann-Marie Voice, Attorney General's Office; David Ancell, Sherry Bond, Kathryn Jones, Arlene Oisten, of the Department of Management and Budget; Patricia Pallares of Cogent Systems, Inc.; Mark Heusel of Wise and Marsac; Jon Smally of Muchmore, Harrington, Smalley and Associates, Inc.; Jerry Crandall, MIRS

Mr. Mark Heusel of Wise and Marsac spoke representing Cogent Systems, Inc. He notified the Committee that Cogent Systems had filed a lawsuit against the Department of Management and Budget (DMB), Janet Phipps and David Ancell. Cogent Systems, Inc. has asked for injunctive relief to restrain DMB from requesting further approval of the contract award. He had received notice that a Temporary Restraining Order and Order to Show Cause (TRO) had been approved earlier this day in the Ingham County Circuit Court by Judge William E. Collette. At this point, he was waiting for the order to be delivered.

It was noted that the Attorney General's Office had not received notice of Cogent Systems, Inc. intent to file a motion.

Following discussion, Ms. Devine moved that the special agenda be recommended to the State Administrative Board for approval as recommended subject to withdrawal if the TRO is served on the State Administrative Board and governs the Board actions. The motion was supported by Mr. DeBano and unanimously adopted.

Ms. Croll adjourned the meeting.